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3: -Drug Smuggling, 1st Ld-Writethru,0727
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7: Eds: first 11 grafs new; pickup 8th graf pvs, Hughes said
8: By LARRY MARGASAK
9: Associated Press Writer
10: WASHINGTON (AP) An undercover drug agent said today that one
11: of the federal government's most significant cocaine investigations
12: ended prematurely when word of the operation appeared in the news
13: media days after the CIA said it would leak the material to expose
14: Nicaraguan government drug smuggling.
15: Appearing behind a screen to conceal his identity, Drug
16: Enforcement Administration agent Ernest Jacobsen said the 1984 leak
17: ended "one of the most significant cocaine investigations in DEA
18: history," which he said could have led to the arrest of the entire
19: leadership of Colombia's cocaine cartel. The cartel was operating
20: inside Nicaragua at the time, Jacobsen said.
21: The hearing was the first in a series by the House Judiciary
22: subcommittee on crime into whether Reagan administration officials
23: condoned drug smuggling and other criminal activities to further
24: its Central America policy especially winning aid for the Contra
25: rebels.
26: The panel also is studying whether administration officials
27: obstructed law enforcement operations, as may have occurred in the
28: 1984 operation.
29: Jacobsen told the subcommittee that convicted drug pilot Barry
30: Seal was working for the DEA in the sting operation. The agent
31: described Seal's extensive contact with the Colombian cartel and
32: with Federico Vaughn, identified by Jacobsen as an official of the
33: Nicaraguan interior ministry.
34: According to Jacobsen, the CIA placed cameras in an airplane
35: that Seal flew to Nicaragua in 1984 to film the loading of cocaine
36: at a military airstrip.
37: He said the pictures had been developed at CIA headquarters near
38: Washington and then "taken to the White House."
39: "The CIA wanted to release them to the press, to show the
40: Sandinistas were dealing in cocaine," Jacobsen said.
41: The agent said DEA officials initially convinced the CIA to
42: change its mind, but shortly afterwards, a story on the operation appeared
43: He said that story ended the operation, and the DEA frantically
44: began to make all the arrests possible at that point.
45: The subcommittee chairman, William J. Hughes, D-N.J., said the
46: motive of the planned leak on the Sandinistas appeared designed to
47: influence Congress to approve aid to the Contras.
48: Hughes said a CIA witness was invited to testify on the agency's
49: role in the operation, but he notified the committee he would
50: refuse to cooperate on Fifth Amendment grounds of
51: self-incrimination.
52: More than 100 subpoenas have been issued for witness testimony
53: and the production of documents, Hughes said. Judicial grants of

- 54: immunity have been obtained to compel testimony of six persons who
- 55: refused to cooperate, invoking their Fifth Amendment privilege.
- 56: No immunity grant has been issued for the CIA witness, and
- 57: Hughes said there has been no decision on pursuing the agency's

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58: testimony.

59: Seal in February 1986 was assassinated in a Baton Rouge, La.
60: machine gun attack, as he pulled up in his Cadillac at a Salvation
61: Army halfway house. He was confined there part-time on a six-month
62: sentence for narcotics and bank fraud convictions.

63: In an interview Wednesday, Hughes said, "We're looking at
64: whether ... an obstruction of justice" caused the end of the Seal
65: operation. "The whole operation was aborted because of leaks to
66: the media."

67: Seal had contacts with the Colombian drug cartel and "came in
68: contact with at least one Sandinista," Hughes said.

69: In October 1985, Seal told a presidential organized crime
70: commission that he quit his job as an airline pilot because
71: "smuggling was so simple, so lucrative." He said he easily eluded
72: detection to fly tons of cocaine into the United States for a top
73: fee of \$1.5 million.

74: "I have landed clandestinely in probably every South American
75: country there is," Seal said. "There is no problem if you have
76: the necessary contacts and dollars with you."

77: Seal told panelists how fly-for-hire pilots take off and land
78: without interference from authorities in Colombia, Nicaragua and
79: other Latin American nations.

80: Seal said he transported cocaine into the United States while
81: working for an illicit drug cartel he said was as sophisticated
82: "as any Fortune 500 company."

83: He displayed night-vision goggles, telephone encryption devices
84: and high-technology message-sending units. "I don't believe
85: there's any paramilitary group better equipped than my former
86: associates," he said.

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